

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

SW-02849A
Saddlebrooke Utility Company
9532 E. Riggs Road
Sun Lakes, AZ 85248

RECEIVED

MAY 15 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN05	05
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entered
5-15-06
RF

COMPANY INFORMATION

Company Name (Business Name) <u>SADDLEBROOKE UTILITY COMPANY</u>		
Mailing Address <u>9532 E RIGGS ROAD</u>		
<u>SUN LAKES</u> (City)	<u>ARIZONA</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>40,004 S RIDGEVIEW BLVD</u>		
<u>TUCSON</u> (City)	<u>ARIZONA</u> (State)	<u>85739</u> (Zip)
<u>(520) 825-3423</u> Local Office Telephone No. (Include Area Code)	<u>(520) 825-0712</u> Fax No. (Include Area Code)	<u>(520) 932-5892</u> Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>JAMES POULOS</u>		<u>GENERAL MANAGER</u>	
<u>9532 E RIGGS ROAD</u> (Street)	<u>SUN LAKES</u> (City)	<u>ARIZONA</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>ED MACMEANS</u>			
<u>40,004 S RIDGEVIEW BLVD</u> (Street)	<u>TUCSON</u> (City)	<u>ARIZONA</u> (State)	<u>85739</u> (Zip)
<u>(520) 825-5515</u> Telephone No. (Include Area Code)	<u>(520) 825-0712</u> Fax No. (Include Area Code)	<u>(520) 932-5892</u> Pager/Cell No. (Include Area Code)	
Email Address _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JAMES D. HUBBARD

(Name)

9532 E RIGGS RD

SUN LAKES

ARIZONA

85248

(Street)

(City)

(State)

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: MARTY ARONSON

(Name)

ONE E CAMELBACK ROAD

PHOENIX

ARIZONA

85012

(Street)

(City)

(State)

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	21,369	0	21,369
352	Franchises			
353	Land and Land Rights	125,000	0	125,000
354	Structures and Improvements	53,595	24,950	28,645
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	4,806,739	821,039	3,985,700
362	Special Collecting Structures			
363	Services to Customers	930,775	114,261	816,514
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,552,060	413,652	1,138,408
380	Treatment and Disposal Equip.	5,711,269	1,813,621	3,897,648
381	Plant Sewers			
382	Outfall Sewer Lines	29,192	14,111	15,081
389	Other Plant and Misc. Equipment	75,135	57,035	18,100
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	13,305,134	3,258,669	10,046,465

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	21,369	0	0
352	Franchises			
353	Land and Land Rights	125,000	0	0
354	Structures and Improvements	53,595	.0340	1,824
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	4,806,739	.0200	96,135
362	Special Collecting Structures			
363	Services to Customers	930,775	.0200	18,616
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells	1,552,060	.0714	110,820
380	Treatment and Disposal Equip.	5,711,269	.0502	286,952
381	Plant Sewers			
382	Outfall Sewer Lines	29,192	.0500	1,459
389	Other Plant and Misc. Equipment	75,135	.0575	4,324
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	TOTALS	13,305,134	.0391	520,130

This amount goes on the Comparative Statement of Income and Expense Acct. 403

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 91,483	\$ 317,215
132	Special Deposits	481,943	478,463
135	Temporary Cash Investments		
141	Customer Accounts Receivable	92,177	110,151
146	Notes/Receivables from Associated Companies	205,357	1,146,426
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	317,843	301,911
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1,188,803	\$ 2,354,166
	FIXED ASSETS		
101	Utility Plant in Service	\$ 13,221,960	\$ 13,305,134
103	Property Held for Future Use		
105	Construction Work in Progress	9,160	9,160
108	Accumulated Depreciation – Utility Plant	2,738,539	3,258,669
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 10,492,581	\$ 10,055,625
	TOTAL ASSETS	\$ 11,681,384	\$ 12,409,791

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$ 35,805	\$ 59,918
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	62,359	66,131
237	Accrued Interest	118,356	113,644
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 216,520	\$ 239,693
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 3,265,000	\$ 3,135,000
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 3,481,520	\$ 3,374,693
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 98,472	\$ 98,472
211	Other Paid in Capital	3,224,839	3,224,839
215	Retained Earnings	4,876,553	5,711,787
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 8,199,864	\$ 9,035,098
	TOTAL LIABILITIES AND CAPITAL	\$ 11,681,384	\$ 12,409,791

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$ 1,787,218	\$ 1,914,960
522	Measured Revenues	49,354	44,897
536	Other Wastewater Revenues	377,187	339,395
	TOTAL REVENUES	\$ 2,213,759	\$ 2,299,252
	OPERATING EXPENSES		
701	Salaries and Wages	\$ 141,666	\$ 180,409
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	132,930	160,229
716	Fuel for Power Production		
718	Chemicals	6,643	11,403
720	Materials and Supplies	91,750	117,493
731	Contractual Services – Professional	13,105	32,623
735	Contractual Services – Testing	28,669	20,364
736	Contractual Services – Other	42,000	46,200
740	Rents		
750	Transportation Expense		
755	Insurance Expense	15,157	13,985
765	Regulatory Commission Expense		
775	Miscellaneous Expense	35,924	36,893
403	Depreciation Expense	483,649	520,130
408	Taxes Other Than Income		
408.11	Property Taxes	118,442	125,523
409	Income Taxes		
	TOTAL OPERATING EXPENSES	\$ 1,109,935	\$ 1,265,252
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 26,542	\$ 44,312
421	Non-Utility Income	2,363	2,795
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	254,685	245,623
	TOTAL OTHER INCOME/EXPENSE	\$ (225,780)	\$ (198,516)
	NET INCOME/(LOSS)	\$ 878,044	\$ 835,484

COMPANY NAME

SADDLEBROOK UTILITY COMPANY

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	01/18/96			
Source of Loan	IDA BONDS			
ACC Decision No.	59134			
Reason for Loan	CONSTRUCTION			
Dollar Amount Issued	\$ 3,950,000	\$	\$	\$
Amount Outstanding	\$ 3,135,000	\$	\$	\$
Date of Maturity	VARIOUS			
Interest Rate	7.25 %	%	%	%
Current Year Interest	\$ 232,000	\$	\$	\$
Current Year Principle	\$ 130,000	\$	\$	\$

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

WASTEWATER COMPANY PLANT DESCRIPTION**TREATMENT FACILITY**

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	PACKAGE PLANT WITH PRIMARY CLARIFIER AND TERTIARY TREATMENT FACILITIES
DESIGN CAPACITY OF PLANT (Gallons Per Day)	1,240,000

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
SEE ATTACHED				

FORCE MAINS

Size	Material	Length (Feet)
4-inch	PVC	1,772
6-inch	PVC	8,046
4-inch	PVC	8,002
6-inch	PVC	2,797

MANHOLES

Type	Quantity
Standard	830
Drop	11

CLEANOUTS

Quantity
113

Lift Station Facilities

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Construction Yard	2	1	50	1,000
Unit 7	2	3	50	1,020
Unit 9	2	75	140	677
Unit 19	2	3	140	888
Unit 27	2	5	120	380
Unit 32	2	20	500	1,800
Unit 21 North	2	15	131	1,197
Unit 21 South	2	88	275	1,795
Unit 46	2	20	600	1,800

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
4	PVC	6,257
6	PVC	
8	PVC	227,533
10	PVC	716
12		
15		
18		
21		
24		
30		
	PVC	760

SERVICES

Size (in inches)	Material	Quantity
4	PVC	4,399
6		
8		
12		
15		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY

SOLIDS PROCESSING AND HANDLING FACILITIES	CENTRIFUGE
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	ULTRA VIOLET
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	SAND AND ANTHRACITE
STRUCTURES (Buildings, Fences, Etc.)	COMMINUTER, INFLUENT PUMP STATION, PACKAGE PLANT, BLOWERS, GENERATOR, EQUALIZATION BASIN, FILTERS, UV DISINFECTION, EFFLUENT
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	MICROSCOPE AND VEHICLES

COMPANY NAME

SADDLEBROOKE UTILITY COMPANY

WASTEWATER FLOWS

MONTH/YEAR (Most Recent 12 Months)	NUMBER OF SERVICES	TOTAL MONTHLY SEWAGE FLOW	SEWAGE FLOW ON PEAK DAY
JAN - 2005	3,940	14,157,000	547,000
FEB - 2005	3,963	13,217,000	562,000
MAR - 2005	3,987	15,196,000	539,000
APR - 2005	4,009	13,771,000	512,000
MAY - 2005	4,027	12,402,000	442,000
JUNE - 2005	4,045	10,742,000	387,000
JULY - 2005	4,069	11,317,000	568,000
AUG - 2005	4,099	11,438,000	407,000
SEP - 2005	4,127	11,160,000	410,000
OCT - 2005	4,145	12,621,000	441,000
NOV - 2005	4,177	13,319,000	489,000
DEC - 2005	4,203	13,919,000	525,000

PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE

Method of Effluent Disposal (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	REUSE NPDES
Wastewater Inventory Number (all wastewater systems are assigned an inventory number)	100356
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit Number	P1000356
ADEQ Reuse Permit Number	R1000356
EPA NPDES Permit Number	AZ0022853

STATISTICAL INFORMATION

Total number of customers 4,203

Total number of gallons treated 153,259,000 gallons

COMPANY NAME SADDLEBROOKE UTILITY COMPANY

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>0</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

JAMES L. POULOSGENERAL MANAGER

PRINTED NAME

TITLE

COMPANY NAME SADDLEBROOKE UTILITY COMPANY **YEAR ENDING 12/31/2005**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 121,777,86

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

SADDLEBROOKE UTILITY COMPANY
9532 E Riggs Rd
Sun Lakes, AZ 85248-7411

Bank One, N.A.
201 N Central Ave Dept 383
Phoenix, AZ 85038

91-2/1221 **303736**
2172839

Date	Amount
04/15/05	\$****\$9,113.02

Pay

FIFTY NINE THOUSAND ONE HUNDRED THIRTEEN AND 02/100 *****

Dollars

To
The
Order
Of **JIM L TURNBULL - PINAL COUNTY TREASURER**
PINAL COUNTY TREASURERS OFFICE
PO BOX 729
FLORENCE AZ 85232-0729

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

#303736# 000000000000 0519 4342# 0005911302#

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:
1. Knight & Fingerprint Watermark
2. Knight & Fingerprint Watermark
3. Knight & Fingerprint Watermark
4. Knight & Fingerprint Watermark
5. Knight & Fingerprint Watermark
6. Knight & Fingerprint Watermark
7. Knight & Fingerprint Watermark
8. Knight & Fingerprint Watermark
9. Knight & Fingerprint Watermark
10. Knight & Fingerprint Watermark

TO VIEW WATERMARKS
HOLD AT ANGLE
OR
UNDER BLACKLIGHT

BANK ONE, N.A.
111901331
04272005

DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR MANUAL INSTITUTION USE

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	5194342	303736	\$59,113.02		4/27/2005	5240193394

Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label
	601	000000000000	20050429322301	20050429322301

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

SADDLEBROOKE UTILITY COMPANY
9532 E Riggs Rd
Sun Lakes, AZ 85248-7411

Bank One, N.A.
201 N Central Ave Dept 383
Phoenix, AZ 85038

91-2/1221 **303906**

Date	Amount
09/30/05	\$****62,664.84

Pay

SIXTY TWO THOUSAND SIX HUNDRED SIXTY FOUR AND 84/100 *****

Dollars

[Signature]

To The Order Of **JIM L TURNBULL - PINAL COUNTY TREASURER**
PINAL COUNTY TREASURERS OFFICE
PO BOX 729
FLORENCE AZ 85232-0729

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈303906⑈ ⑆122100024⑆ 0519 4342⑈ ⑆0006266484⑆

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES which are covered under U.S. Patent 5,783,353 5,984,244 5,750,568 5,641,783

1. Absence of the Knight/Fingerprint watermark in the endorsement area above & the U.S. Patent 5,783,353 5,984,244 5,750,568 5,641,783
2. The back of this check has an anti-fraud Knight/Fingerprint watermark which may be seen by holding the check at an angle.
3. A green line background. The amount is printed with a green line background.
4. A blue line background. The amount is printed with a blue line background.
5. A red line background. The amount is printed with a red line background.

TO VIEW WATERMARKS
Hold at angle
OR
UNDER BLACKLIGHT

AMERICAN CHASE BANK, N.A.
FORT WORTH, TX 76102
⑈1119013314⑈

6015 67601

KNIGHT
FINGERPRINT

FINGERPRINT

DO NOT WRITE STAMP OR SIGNATURE - ALL SEVERAL BANKS PRINTING AND DISTRIBUTING

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	5194342	303906	\$62,664.84		10/13/2005	5240144980
Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label		
	601	000000000000	20051031030701	20051031030701		

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

MAY 15 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	JAMES L POULOS -GENERAL MANAGER
COMPANY NAME	SADDLEBROOKE UTILITY COMPANY

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

SIGNATURE OF OWNER OR OFFICIAL

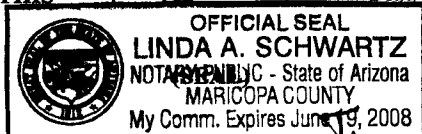
(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10 DAY OF



MY COMMISSION EXPIRES June 19, 2008

COUNTY NAME	MARICOPA	
MONTH	MAY	2006

SIGNATURE OF NOTARY PUBLIC

RECEIVED

VERIFICATION AND SWORN STATEMENT Intrastate Revenues Only

APR 27 2006

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA
NAME (OWNER OR OFFICIAL) TITLE	JAMES L POULOS - GENERAL MANAGER
COMPANY NAME	SADDLEBROOKE UTILITY COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,304,087

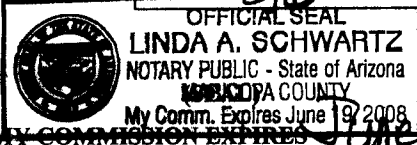
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,466
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26th DAY OF



COUNTY NAME	MARICOPA
MONTH	APRIL, 20 <u>06</u>

[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 27 2006

VERIFICATION

AZ CORP COMM
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) JAMES L POULOS	TITLE GENERAL MANAGER
COMPANY NAME SADDLEBROOKE UTILITY COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2005
---------------------------	-------------------------	----------------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,069,864

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0
IN SALES TAXES BILLED, OR COLLECTED**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X

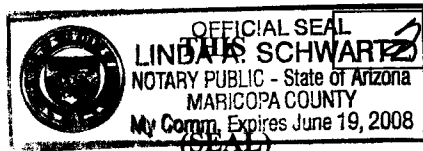
SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME	
COUNTY NAME MARICOPA	
MONTH APRIL	.20 06

MY COMMISSION EXPIRES June 19, 2008

SIGNATURE OF NOTARY PUBLIC